



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2025 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

JOSEPH NEAL SANBERG,

Defendant.

CR No. 2:25-CR-00200-MWF

I N D I C T M E N T

[18 U.S.C. § 1349: Conspiracy to
Commit Wire Fraud; 18 U.S.C. §
981(a)(1)(C) and 28 U.S.C. §
2461(c): Criminal Forfeiture]

The Grand Jury charges:

[18 U.S.C. § 1349]

A. INTRODUCTORY ALLEGATIONS

1. At times relevant to this Indictment:

a. Defendant JOSEPH NEAL SANBERG was a resident of Los Angeles and Orange, California, within the Central District of California.

b. Co-conspirator Ibrahim Ameen AlHusseini ("AlHusseini") was a resident of Los Angeles, California, and a citizen of the United States and Saudi Arabia.

1 c. Company A was a private company that maintained its
2 principal office in Los Angeles County, California, within the
3 Central District of California.

4 d. Investor Fund A was an investment fund that loaned
5 investors' capital to high-net-worth borrowers, with its principal
6 place of business in New York, New York.

7 e. Investor Fund B was an investment fund that loaned
8 investors' capital to high-net-worth borrowers, with its principal
9 place of business in New York, New York.

10 f. Investment Adviser 1 was a securities investment
11 adviser that advised Investor Fund A and Investor Fund B, and
12 maintained offices in New York, New York.

13 g. Graphic Designer 1 was an individual living in Lebanon
14 and an associate of co-conspirator AlHusseini.

15 B. OBJECT OF THE CONSPIRACY

16 2. From at least in or around January 2020 through at least in
17 or around October 2024, in Los Angeles and Orange Counties, within
18 the Central District of California, and elsewhere, defendant SANBERG
19 and co-conspirator AlHusseini, and others known and unknown to the
20 Grand Jury, knowingly and intentionally conspired with each other to
21 engage, and did engage, in wire fraud, in violation of Title 18,
22 United States Code, Section 1343, namely, to induce Investor Fund A
23 and Investor Fund B to issue two loans, for \$55 million and \$145
24 million, respectively, to defendant SANBERG through defendant
25 SANBERG's closely held entity.

26 C. MANNER AND MEANS OF THE CONSPIRACY

27 3. The object of the conspiracy was to be carried out, and was
28 carried out, in substance, as follows:

1 a. Beginning no later than in or around January 2020 and
2 continuing through at least March 2020, defendant SANBERG negotiated
3 terms for a \$55 million loan from Investor Fund A paid to defendant
4 SANBERG through defendant SANBERG's closely held company. Under the
5 terms of the March 2020 loan, defendant SANBERG pledged approximately
6 10.3 million shares of Company A stock as collateral.

7 b. To secure the March 2020 loan, defendant SANBERG
8 recruited co-conspirator AlHusseini to enter a put option agreement
9 with Investor Fund A to act as a financial guarantee on the \$55
10 million loan from Investor Fund A. The March 2020 put option
11 agreement obligated co-conspirator AlHusseini to purchase the Company
12 A stock from Investor Fund A if defendant SANBERG defaulted on the
13 loan. Accordingly, the March 2020 put option required co-conspirator
14 AlHusseini to have sufficient liquid assets to pay \$55 million for
15 the shares of Company A stock in the event of defendant SANBERG's
16 default. The March 2020 put option agreement was a condition of the
17 March 2020 loan.

18 c. Beginning no later than in or around November 2021,
19 defendant SANBERG refinanced the March 2020 loan. Under the
20 refinanced loan, Investor Fund B loaned \$145 million to defendant
21 SANBERG through defendant SANBERG's closely held company, and
22 defendant SANBERG pledged the same approximately 10.3 million shares
23 of Company A stock as collateral.

24 d. As a condition of extending this November 2021 loan
25 for \$145 million to defendant SANBERG, Investor Fund B purchased a
26 new put option from co-conspirator AlHusseini, in which co-
27 conspirator AlHusseini was obligated to pay \$65 million to Investor
28 Fund B in the event that defendant SANBERG defaulted on the November

1 2021 loan. The terms of the November 2021 put option required co-
2 conspirator AlHusseini to have sufficient liquid assets to pay \$65
3 million to Investor Fund B in the event of defendant SANBERG's
4 default.

5 e. Defendant SANBERG and co-conspirator AlHusseini
6 conspired to have co-conspirator AlHusseini enter into the March 2020
7 and November 2021 put option agreements under false pretenses to
8 induce Investor Fund A and Investor Fund B to loan millions of
9 dollars to defendant SANBERG.

10 f. At relevant times, defendant SANBERG knew that co-
11 conspirator AlHusseini did not have sufficient assets to cover the
12 March 2020 and November 2021 put option agreement obligations to pay
13 tens of millions of dollars to Investor Fund A and Investor Fund B if
14 defendant SANBERG defaulted on the loans.

15 g. Defendant SANBERG and co-conspirator AlHusseini
16 conspired to make materially false representations and provide
17 falsified bank and brokerage records under false pretenses to
18 Investment Adviser 1 regarding co-conspirator AlHusseini's net worth
19 to induce Investor Fund A and Investor Fund B to enter into the March
20 2020 and November 2021 put option agreements with co-conspirator
21 AlHusseini.

22 h. At relevant times, defendant SANBERG concealed from
23 Investment Adviser 1 that co-conspirator AlHusseini did not have
24 sufficient assets to cover the put option agreements, including by
25 advising co-conspirator AlHusseini to make material
26 misrepresentations and omissions to Investment Adviser 1 to secure
27 the loans.

1 i. To maintain and conceal defendant SANBERG and co-
2 conspirator AlHusseini's fraudulent scheme from Investor Fund A and
3 Investor Fund B, defendant SANBERG and co-conspirator AlHusseini
4 conspired to submit falsified brokerage statements to Investment
5 Adviser 1 regularly between in or about March 2020 and in or about
6 February 2023.

7 j. Defendant SANBERG and co-conspirator AlHusseini
8 conspired to procure and direct Graphic Designer 1 to prepare
9 falsified brokerage and bank statements that inflated co-conspirator
10 AlHusseini's personal assets and net worth.

11 k. Defendant SANBERG and co-conspirator AlHusseini
12 presented the falsified brokerage and bank statements that Graphic
13 Designer 1 altered to Investment Adviser 1 to fraudulently induce
14 Investor Fund A and Investor Fund B to loan millions of dollars to
15 defendant SANBERG.

16 l. Defendant SANBERG and co-conspirator AlHusseini
17 transmitted and caused to be transmitted, by means of wire
18 communications in interstate and foreign commerce, the false and
19 fraudulent statements and representations to induce Investor Fund A
20 and Investor Fund B to loan millions of dollars to defendant SANBERG.

21 m. In or around November 2022, defendant SANBERG
22 defaulted on the loan to Investor Fund B, and, to secure a
23 forbearance, co-conspirator AlHusseini signed an amendment with
24 Investor Fund B that raised the put option settlement price to \$75
25 million.

26 n. Beginning in or around February 2020 and continuing
27 until at least in or around October 2024, defendant SANBERG concealed
28

1 the conspiracy to defraud from Investment Adviser 1, Investor Fund A,
2 and Investor Fund B.

3 D. OVERT ACTS

4 4. On or about the following dates, in furtherance of the
5 conspiracy and to accomplish its object, defendant SANBERG, together
6 with co-conspirator AlHusseini, and others known and unknown to the
7 Grand Jury, committed and willfully caused others to commit the
8 following overt acts, among others, within the Central District of
9 California, and elsewhere:

10 Overt Act No. 1: On February 23, 2020, defendant SANBERG
11 counseled co-conspirator AlHusseini regarding the falsified statement
12 balance that would be reflected on the falsified statements to be
13 submitted to Investment Adviser 1.

14 Overt Act No. 2: On March 16, 2020, defendant SANBERG
15 executed a \$55 million loan with Investor Fund A, and Investor Fund A
16 simultaneously purchased a put option from co-conspirator AlHusseini.

17 Overt Act No. 3: On October 10, 2020, defendant SANBERG sent
18 an electronic communication containing a list of co-conspirator
19 AlHusseini's assets that defendant SANBERG knew to be falsified and
20 advised co-conspirator AlHusseini to send the falsified list to
21 Investment Adviser 1.

22 Overt Act No. 4: On November 4, 2021, to induce Investor Fund
23 B to extend the November 2021 loan to defendant SANBERG, co-
24 conspirator AlHusseini directed his agent to send an email to
25 Investment Adviser 1, which contained a falsified brokerage account
26 statement.

27 Overt Act No. 5: On November 4, 2021, defendant SANBERG
28 executed a new loan agreement with Investor Fund B for \$145 million,

1 and Investor Fund B simultaneously purchased a put option from co-
2 conspirator AlHusseini.

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

5. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), in the event of the conviction of defendant JOSEPH NEAL SANBERG of the offense set forth in this Indictment.

6. The defendant, if so convicted, shall forfeit to the United States of America the following:

a. All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offense; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

7. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), any defendant, if so convicted, shall forfeit substitute property, up to the value of the property described in the preceding paragraph if, as the result of any act or omission of the defendant, the property described in the preceding paragraph or any portion thereof

(a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has

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1 been placed beyond the jurisdiction of the court; (d) has been
2 substantially diminished in value; or (e) has been commingled with
3 other property that cannot be divided without difficulty.

4
5 A TRUE BILL

6
7 /s/
8 Foreperson

9 JOSEPH T. MCNALLY
10 Acting United States Attorney

11 *Lindsey Greer Dotson*

12 LINDSEY GREER DOTSON
13 Assistant United States Attorney
14 Chief, Criminal Division

15 BRETT A. SAGEL
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17 Chief, Corporate and Securities
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